

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: September 28, 2006]²

Bill No. and sponsor: S. 3225 (Mr. Robert Menendez of New Jersey).

Proponent name, location: Association of Food Industries, Neptune, NJ.

Other bills on product (109th Congress only): None.³

Nature of bill: Extension of existing temporary duty reduction through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen (provided for in subheading 2005.90.80)

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

Artichokes are grown in the United States, principally in California, but are no longer processed here to produce canned artichokes. Canned artichokes and artichoke hearts prepared or preserved otherwise than by vinegar or acetic acid are used as a canned-vegetable side dish, in other prepared foods, such as pasta and pizza toppings, and in salad bars. Most of the canned artichoke imports are reported to be in institutional-size containers used principally in the institutional and food-service trade. Canned artichokes are imported principally from Spain, Chile, and Italy.

¹ Industry analyst preparing report: Tim McCarty (202-205-3324); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ A similar bill, S. 3224, also concerns canned artichokes but pertains to those artichokes prepared or preserved by vinegar or acetic acid and imported under a different HTS subheading.

Estimated effect on customs revenue:

HTS subheading: 2005.90.80					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	14.9%	14.9%	14.9%	14.9%	14.9%
Estimated value <i>dutiable</i> imports ^{1/}	\$52,113,625	\$53,155,898	\$54,219,016	\$55,303,396	\$56,409,464
Customs revenue loss ^{2/}	\$573,250	\$584,715	\$596,409	\$608,337	\$620,504

^{1/} These figures are the estimated dutiable values; they were calculated by adding together the dutiable import values of goods from Spain, Chile, and Italy in 2005 and projecting a 2-percent rise each year above the previous year's total.

^{2/} The estimated customs revenue loss for 2006 reflects the existing duty reduction under HTS heading 9902.03.89 that expires on December 31, 2006. The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 14.9 percent ad valorem to 13.8 percent ad valorem, a reduction of 1.1 percentage points.

Source of estimated dutiable import data: Commission estimates based on official U.S. Government statistics for 2005.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Association of Food Industries (Proponent) Bob Bauer, 732-922-3008	08/14/2006	No	No	No
California Artichoke Advisory Board Pat Hopper, 831-633-4411	08/11/2006	No	No	No
California League of Food Processors Bill Grigg, 916-444-9260	08/14/2006	No	No	No
Schreiber Foods International Howard Schreiber, 201-327-3535	08/11/2006	No	No	No

Technical comments:⁴ None.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS
2^D SESSION

S. 3225

To extend temporarily the reduction of duty on artichokes prepared or preserved otherwise than by vinegar or acetic acid, not frozen.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

Mr. MENENDEZ introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend temporarily the reduction of duty on artichokes prepared or preserved otherwise than by vinegar or acetic acid, not frozen.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXTENSION OF REDUCTION OF DUTY ON ARTI-**
4 **CHOKES PREPARED OR PRESERVED OTHER-**
5 **WISE THAN BY VINEGAR OR ACETIC ACID,**
6 **NOT FROZEN.**

7 (a) IN GENERAL.—Heading 9902.03.89 of the Har-
8 monized Tariff Schedule of the United States (relating to
9 artichokes prepared or preserved otherwise than by vin-

1 egar or acetic acid, not frozen) is amended by striking
2 “12/31/2006” and inserting “12/31/2009”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) applies to goods entered, or withdrawn from
5 warehouse for consumption, on or after the 15th day after
6 the date of enactment of this Act.

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